

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2150
 SPONSOR: Senator Lynn
 SUBJECT: Moving Services
 DATE: March 18, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Favorable
2.	_____	_____	CM	_____
3.	_____	_____	BI	_____
4.	_____	_____	JU	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill revises registration requirements for movers to provide small moving companies an option of submitting a bond, letter of credit, or certificate of deposit instead of purchasing the cargo legal liability insurance now required.

This bill substantially amends ss. 507.03 and 507.04 of the Florida Statutes.

II. Present Situation:

The 2002 Legislature enacted laws regulating the intrastate moving industry in Florida. Any mover wishing to do business in Florida must register annually with the Department of Agriculture and Consumer Services (DACCS). To obtain a registration certificate, the mover must file an application, pay a registration fee in the amount of \$300, and meet statutory qualifications, including proof of insurance coverage.

The law requires a mover to maintain cargo liability insurance coverage in the amount of \$10,000 per shipment and limits the mover's liability to not less than 60 cents per pound of cargo. Minimum limits of motor vehicle coverage are also specified in the amounts of \$50,000, \$100,000, and \$300,000 per occurrence.

Since implementation of the 2002 law, owners of some small moving companies have encountered difficulty obtaining the required liability insurance or discovered it is very expensive to purchase this coverage. It appears that many insurance carriers will not write policies for companies operating less than three trucks.

III. Effect of Proposed Changes:

The bill amends ss. 507.03 and 507.04, F.S., to revise mover registration requirements by providing for proof of a bond, certificate of deposit, or letter of credit.

Specifically, this bill provides movers operating fewer than three vehicles have an option of submitting a bond in the amount of \$25,000, letter of credit, or certificate of deposit in lieu of purchasing the cargo legal liability insurance.

The bill also limits the use of the bond, letter of credit, or certificate of deposit for payment of claims adjudicated by DACS and provides that the aggregate payout may not exceed the amount of the bond, letter of credit, or certificate of deposit.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

According to representatives of the Florida Movers and Warehousemen's Association, bonding may be slightly more expensive than insurance in the long run. However, bonding does offer an option for the small moving companies unable to obtain cargo legal liability coverage. It is unknown what costs, if any, will be realized by the moving companies that exercise this option.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
